



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 10, 2002

VIA HAND DELIVERY

Andrew Lourie, Chief
Public Integrity Section
Criminal Division
Department of Justice
1400 New York Avenue, 12th Floor
Washington, D.C. 20005

RE: MUR 4818 and MUR 4933

Dear Mr. Lourie:

This letter is to notify you that on May 31, 2002, the Federal Election Commission ("Commission") decided to refer knowing and willful violations of the Federal Election Campaign Act of 1971, as amended, to the Department of Justice, pursuant to 2 U.S.C. § 437g(a)(5)(C) and the Memorandum of Understanding between the Department and the Commission.

MUR 4818 arose from a complaint filed by the entire Oklahoma Republican congressional delegation alleging that congressional candidate Walt Roberts and Walt Roberts for Congress knowingly and willfully violated 2 U.S.C. § 441a(f) through a bogus cattle transaction and art auction during the 1998 Congressional election campaign in Oklahoma's Third Congressional District. MUR 4933 arose from a referral from the Commission's Reports Analysis Division, involving a \$50,000 loan that Walt Roberts claimed was from "personal funds." In the course of an extensive investigation, the Commission discovered additional violations which implicated longtime Oklahoma state senator Gene Stipe and his secretary, Charlene Spears.

Specifically, on May 31, 2002, the Commission found probable cause to believe that:

- Gene Stipe and Gene Stipe Law Firm knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(a)(1)(A);
- Charlene Spears knowingly and willfully violated 2 U.S.C. § 441f;
- Walt Roberts knowingly and willfully violated 2 U.S.C. §§ 441a(f), 441f, and 432(h); and
- Walt Roberts for Congress, knowingly and willfully violated 2 U.S.C. §§ 434(b), 441a(f) and 432(h).

The details of the investigation and violations are included in the General Counsel's Reports and Briefs which are attached for your review and further investigation. The materials included in this package are subject to 2 U.S.C § 437g(a)(12) and contain information more inclusive than what would be made available to the public record upon closure of the cases. It is also worth mentioning that Jim E. Lane, a longtime friend and ally of Gene Stipe who played a major role in the Walt Roberts' campaign, pled guilty to conspiring to defraud the state of Oklahoma while employed by the Oklahoma Health Department. According to newspaper accounts, Lane recently was sentenced to five years imprisonment and ordered to pay \$105,000 in restitution.

I offer our assistance to you in this matter and in any manner you deem appropriate. As you are aware, we have conducted a substantial investigation in this matter (including numerous interviews and the taking of testimony under oath) and are ready to provide you with any of these materials. During our investigation, this Office uncovered apparent violations at nearly every turn, and beyond the scope of the violations described above. To ensure that the Respondents do not escape liability for their violations in the event the Department declines to prosecute, the Commission has not closed the matters so that it can pursue appropriate measures pursuant to 2 U.S.C. § 437g(a)(4). Please advise us of the disposition of this matter in accordance with 2 U.S.C. § 437g(c).

If you have questions, please contact Rhonda J. Vosdingh, Associate General Counsel, at (202) 694-1650.

Sincerely,



Lawrence H. Norton
General Counsel

Enclosures
General Counsel's Briefs
Respondents' Briefs
General Counsel's Report #6 with attachments